

SEP 10 1964

GOVT 1-06.4 US

PERS: Wise, David

GOVT 1-11 US

SOC 4-01, 2 US (Strategy or
Deception)

PERS: Lipscomb, Glenard P.

Subsidy Of Books By USIA Upheld

By David Wise
Washington Bureau Chief
WASHINGTON.

It is perfectly legal for government secretly to subsidize books published and sold in this country, the General Accounting Office has ruled.

Controller General Joseph Campbell said in his ruling that the United States Information Agency's book subsidy program is not "improper" and violates no Federal statute.

The USIA's "book development" program came to light in April, in testimony released by a House Appropriations subcommittee. Agency officials, an asking \$195,000 for the program in 1965, said the USIA finances some books that are sold both overseas and in U. S. The books are not labeled in any way to reveal that they were published with Federal funds.

At the House panel's hearing on March 4, Reed Harris, a USIA official, testified:

"That is a program under which we can have books written to our own specifications, books that would not otherwise be put out. . . . Under the book development program, we control the thing from the very idea down to the final edited manuscript."

He declined to name any titles or such books, "because our interests in certain of these books should not become a matter of general public information. We do have some successes."

Rep. Glenard P. Lipscomb, R., Calif., a member of the House subcommittee (of which the formidable Rep. John J. Rooney, Brooklyn Democrat, is chairman) asked the GAO for a ruling on the USIA secret subsidies. The GAO is Congress' watchdog on executive branch spending, and is headed by Mr. Campbell, the controller general.

In the ruling Mr. Campbell sent to the California Congressman he said that contracts between the USIA and the publishers under the program provide that the publishers retain "general ownership" of the book and that "publication shall be without attribution to the agency and that there should be no publicity of the government's connection with the work."

A USIA spokesman said the agency's position is that it pays only for books distributed overseas. "Any sale here is up to the publisher," he added.

An official of USIA explained that the "book development" program works this way: USIA decides it wants a book, expressing a certain viewpoint on a certain subject. The agency goes to a publisher, who commissions a writer, and the USIA agrees to purchase 2,000 or 5,000 copies for overseas distribution. The publisher is free to sell as many other copies as he can in the U. S. bearing no government imprint.

How does the USIA make sure the subsidized book expresses the right view? "Our control," the official said, "is that if the manuscript does not satisfy us we don't

buy the 2,000 copies."

In the testimony released by the House subcommittee, the titles of the books were censored out. Mr. Harris was asked by Rep. Rooney to name some of the books, and replied:

"Again, sir, if I may point out that we do not wish to have these identified with us publicly, we have—an anti-Castro book;—a book on Russian;—a book which shows the issues that have divided international communism such as the Sino-Soviet quarrels . . ."

"Aren't there existing books in these fields?" Rep. Rooney asked.

"Yes," Mr. Harris replied, "but not with what might be called the slant that would directly support the foreign policy of the United States . . . These tailorings permit the insertion of material that is particularly effective in getting support."

Although it was not revealed in the testimony, the USIA later confirmed that one book "developed" under the program was "The Strategy or Deception: A Study in World-Wide Communist Tactics," subsidized by the USIA to the tune of \$14,952.10 and published last fall by Farrar, Straus Co. of New York. The USIA bought 2,000 copies. An agency official said the publisher printed 25,000 copies for sale in this country.

Rep. Lipscomb said yesterday that he thinks U. S. citizens should be told if books offered to them for sale are government-subsidized. He said he would offer legislation to that effect next year. "The USIA opposes any labeling."